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Supreme Court of the United States.

OCTOBER TERM, 1958.

No. 891.

CONTINENTAL GIN COMPANY,
Petitioner,

v.

THE MURRAY COMPANY OF TEXAS, INC.,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

This is an ordinary patent suit involving no conflict of decisions between different Courts of Appeals, no new or doubtful question of law, no conflict between the decision of the Court of Appeals and the applicable decisions of this Court or any other court, and no matter of public interest or importance.

Judge Grooms of the District Court, in this his first patent case, held the Brooks patent in suit valid and infringed, "on findings and conclusions prepared and submitted by the prevailing party" (Pet. p. 19), but without opinion. The Court of Appeals, in a careful opinion, analyzed the prior art and on the basis of the facts as to that art, not in dispute, held the Brooks patent in suit invalid for want of invention over the prior art. The appellate court did not pass on infringement.

The Court of Appeals analyzed the primary facts on which it based its conclusion of invalidity at some length—these primary facts comprising the operation and organization of the machine shown and described in the Brooks patent itself and the construction and operation of prior art lint cotton cleaners, as disclosed in prior patents and by a prior art Garner machine. As the appellate court stated (Pet. p. 24), and as petitioner does not deny: "The prior art discloses many cotton cleaners having the same combination of elements shown in Brooks: feeding means, a rotating saw or toothed cylinder with an ample casing, one or more cleaning or whipping bars, and dofling means. Some of these prior art cleaners also include trash disposals together with a protective wall to separate the clean cotton from the mixed trash and lint." All that Brooks had done was to "take well known elements of cotton mill cleaners and place them in a gin house behind a gin without changing their function and without producing a new result." (Pet. p. 28).

After citing the established principles and controlling standards applicable to these undisputed facts, the appellate court concluded (Pet. p. 28): "Tested by the teachings of these authorities, it is obvious that the patent in suit is invalid for want of invention over the prior art."

Thus the Court of Appeals, after a careful analysis of the undisputed facts of the claimed combination and the prior art, disagreed with the District Court's conclusion on the question of invention. That is all there is to this case.

The lower court in its findings nowhere analyzed the prior art and nowhere stated or attempted to state what the alleged invention of the Brooks patent was and wherein resided any patentable novelty in the cleaner of that patent. Nor does the petitioner now venture to identify the alleged invention of Brooks or differentiate it from the prior art.

Hence, the lower court's bare conclusion of invention without finding any subsidiary or primary facts on the basis of which such finding is made can have little or no weight,* and certainly is not binding on the appellate court as petitioner now argues.

The only finding made that can be said to bear on the issue of invention was that the prior art cleaners were not "designed by their maker, nor . . . adapted, nor actually used for the performance of the functions performed by the apparatus of the patent in suit" ("Findings of Fact" 11, 13, 14, Pet. pp. 33, 34). By this the lower court meant "cleaning lint cotton as it comes from the gin" (see Finding 12, last line, Pet. p. 33). But this is simply a finding that the prior art cotton cleaners, mostly designed for textile mill or beginning cleaning, were not designed for use in a gin house between gin and bale press. And no one,

*It is a grave question whether the lower court complied with the requirements of Rule 52(a) of the Federal Rules of Civil Procedure in its finding as to invention. As this Court stated in *Kelley v. Everglades Drainage District*, 319 U.S. 415, 420 (1943): ". . . there must be findings, in such detail and exactness as the nature of the case permits, of subsidiary facts on which the ultimate conclusion . . . can rationally be predicated." General conclusions—such as a finding of invention—are conclusions of law and not binding on appeal. In *Hycom Mfg. Co. v. H. Koch & Sons*, 219 F. 2d 353, 356 (9 Cir. 1955), the court found that findings like those of the lower court in this case were "entirely inadequate," saying that the counsel "seem to have presented the court with formalistic pronouncements of 'ultimate fact,' which are in effect conclusions. . . . The court must find facts which support three essentials: novelty, utility and invention. Mere conclusions in order to hold a patent valid, such as are contained in this record, are of no avail. No opinion was before this Court. There is indication neither why the trial judge thought the device was an invention nor why the patented article was differentiated from the prior art." The case at bar is strikingly parallel, even to the absence of an opinion and the fact that the "findings" were prepared by prevailing counsel.

least of all the Court of Appeals, questioned this. The uses contemplated in the references were for cleaning in the mill, with lower volume and capacity than is required in cleaning the larger output of a gin. But the question, on invention, was whether it met the statutory requirement to take the old cotton cleaner, standard for decades in textile mills, and use it in a gin house, without change except for such increase in size and capacity as may be desired. As to that, the single finding of the lower court signifies nothing.

Thus the Court of Appeals disregarded no finding of fact, in the sense of Federal Rules of Civil Procedure, 52(a), which has reference to primary or subsidiary facts as distinct from ultimate facts which amount to conclusions of law. The ultimate decision of whether what was indisputably done involved invention over a prior art of undisputed teaching (all as in this case) is one on which a reviewing court is clearly empowered to impose the statutory standard.

Petitioner's "Questions Presented" (Pet. p. 2) imply that the Court of Appeals disregarded "findings of fact." This did not happen. The Court of Appeals disregarded only the conclusion of law that there was invention.

The fallacy of the petition is that disagreement between the Court of Appeals and the District Court is not on the facts but on the basic question of invention, as is apparent from the opinion of the appellate court.

Though petitioner sets forth three numbered paragraphs of "Questions Presented" (Pet. pp. 2-3), these state and restate what is really a single question: whether Federal Rules of Civil Procedure, 52(a), leaves room for a reviewing court to reverse a lower court conclusion of invention. But the answer is so clear that this question is not a substantial one.

A trial court's conclusion on the all important question of invention incorporated into "Findings of Fact" does not render that conclusion immune to appellate review or correction, as petitioner would have it. The cases are legion in which the appellate courts and this Court have decided the question of patentable invention in disregard of the conclusion thereon reached below.* One of the innumerable cases of this Court showing the propriety of thus overruling the trier of facts on the issue of patentable invention is the familiar *Atlantic & Pacific* case, 340 U.S. 147, in which this Court reversed the concurrent findings of the two lower courts that the subject matter of the patent was inventive, and hence not obvious. In disposing of the argument that this Court was bound by the concurrent findings below, this Court, through Mr. Justice Jackson, said (p. 153):

> "It is urged, however, that concurrence of two courts below, in holding the patent claims valid, concludes this Court. A recent restatement of the 'two-court rule' reads, 'A court of law, such as this Court is, rather than a court for correction of errors in fact find-

*See, for instance, *Mahn* v. *Harwood*, 112 U.S. 354, 358 (1884); *Little Mule Corp.* v. *The Lug-All Co.*, 254 F. 2d 268 (C.A. 5, 1958), cert. den. 358 U.S. 838; *Fritz W. Glitsch & Sons* v. *Wyatt Metal & Boiler Works*, 224 F. 2d 331, 335 (C.A. 5, 1955); *New Products Corp.* v. *Outboard, Marine & Mfg. Co.*, 263 F. 2d 521 (C.A. 7, 1959); *Rohr Aircraft Corp.* v. *Rubber Teck, Inc.*, — F. 2d —, 121 U.S.P.Q. 241, 245 (C.A. 9, 1959); *Kwikset Locks, Inc.*, v. *Hillgren*, 210 F. 2d 483, 488 (C.A. 9, 1954), cert. den. 347 U.S. 989; *Blish, Mize & Silliman Hardware Co.* v. *Time Saver Tools, Inc.*, 236 F. 2d 913, 916 (C.A. 10, 1956), cert. den. 352 U.S. 1004. In *Packwood* v. *Briggs & Stratton Corp.*, 195 F. 2d 971 (C.A. 3, 1952), cert. den. 344 U.S. 844; and *Alemite Co.* v. *Jiffy Lubricator Co.*, 176 F. 2d 444 (C.A. 8, 1949), cert. den. 339 U.S. 942, even *jury* findings of invention were overruled on appeal where the patents did not measure up to the requisite standard of invention.

ing, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error.' *Graver Tank Co.* v. *Linde Co.*, 336 U.S. 271, 275. The questions of general importance considered here are not contingent upon resolving conflicting testimony, for the facts are little in dispute. *We set aside no finding of fact as to invention,** for none has been made except as to the extension of the counter, which cannot stand as a matter of law. The defect that we find in this judgment is that a standard of invention appears to have been used that is less exacting than that required where a combination is made up entirely of old components. It is on this ground that the judgment below is reversed."

It was on this same ground that the Court of Appeals reversed the judgment of the District Court in the instant case.

More recently, in *Crest Specialty* v. *Trager*, 341 U.S. 912, 913, this Court, in a *per curiam* opinion, reversed the Court of Appeals of the Seventh Circuit, which had affirmed the trial court's judgment of validity. The Court of Appeals had affirmed the lower court's "findings" on the assumption that it was bound by them (184 F. 2d 577, 578-579).

Petitioner quotes from the *Graver Tank* case and cites the reference to that case in the *Atlantic & Pacific* case. In *Graver* the trial judge had made a careful analysis of the claimed invention and the prior art, had visited laboratories to observe demonstrations of the art as taught by the patent, and "of various stages of the prior art," and had made specific findings with respect thereto. It was findings of this character which this Court [illegible] should not

*Emphasis ours.

be reversed on appeal unless "clearly erroneous." In the case at bar there are no such findings as were involved in the *Graver* case. The findings as to the prior art on which the appellate court found invalidity in the present case were first made by that court and are not in dispute. And in the *Graver* case the court said: ". . . the ultimate question of patentability is one of meeting the requirements of the statute . . ." (336 U.S. 271, 275).

While the "Questions Presented" indicate that credibility and conflicting testimony and demonstrations as to primary facts were involved on the issue of invention, as in the *Graver* case, this is just not so. Petitioner points out not a single such fact as to which there was any conflict, and there is not one. The demonstrations that were had before the lower court were of plaintiff's and defendant's commercial machines and wholly concerned with the issue of infringement. The lower court also viewed some movies directed to the issue of infringement and one movie (Ex. X, introduced R. 233) of the operation of certain feed rolls feeding to defendant's accused cleaner (R. pp. 225-233; 243). This was not a demonstration of any prior art machine as petitioner's expert agreed (R. p. 574), and there was no dispute as to what this movie showed. No dispute as to the import of any of this material, on the issue of invention, was resolved by the lower court or disregarded by the Court of Appeals, as petitioner asserts (p. 12) in citing *Graver Tank* as to "conflicting testimony."

Finally, petitioner argues (Pet. p. 9) that this petition should be granted because the manufacture of "lint cotton cleaning machinery sold in competition" with petitioner (Pet. p. 38)—that is, manufacture of cleaners for gin house use—"is concentrated in the Fifth Circuit," making "improbable" any prospect of petitioner securing a conflict of decision on validity.

In the *Schriber-Schroth* and *Muncie* cases, cited by petitioner (p. 9), the patent had been held *valid* and further test was unlikely because all manufacture was concentrated in the one circuit. If the patent was indeed invalid—as this Court found when it took these cases—such patent might run its life without possibility of challenge. It was in the public interest that an invalid patent should not thus hamper progress in the art involved and the public should not have to pay tribute to an invalid patent for its life. In the present case, however, the patent has been held *invalid*, and petitioner is not foreclosed from a further test of the validity of its patent. For users of competitors' ginning machinery with cleaners are scattered throughout North and South Carolina, Arkansas, Arizona and California, in the Fourth, Eighth and Ninth Circuits, wherever cotton is raised in quantity. Such users of alleged infringing machinery of a competitor's make can therefore be sued in circuits other than the Fifth to further test the validity of the Brooks patent, if petitioner so desires.

There being no conflict with the decision of another Court of Appeals on the same matter, no federal question of any public importance nor any departure from the accepted and usual course of judicial proceedings presented here, no basis exists for the grant of a writ of certiorari, under the established rules of this Court.

The petition should be denied.

Respectfully submitted,

HECTOR M. HOLMES,
Attorney for Respondent.

RICHARD F. WALKER,
GARRETT R. TUCKER, JR.,
WILLIAM W. RYMER, JR.,
Of Counsel.